



STATE OF UTAH  
NATURAL RESOURCES  
Oil, Gas & Mining

4241 State Office Building • Salt Lake City, UT 84114 • 801-533-5771

Scott M. Matheson, Governor  
Temple A. Reynolds, Executive Director  
Dianne R. Nielson, Ph.D., Division Director

January 18, 1985

*Replied 1-22-97  
Original Retired  
2-14-97*

TO: Ronald W. Daniels, Associate Director, Mining  
THRU: Mary M. Boucek, Permit Supervisor/Reclamation Biologist  
FROM: Pamela Grubaugh-Littig, Reclamation Engineer *pgl*  
RE: Transfer of Permits From Union Carbide Corporation to  
UMETCO Minerals Corporation

Union Carbide Corporation has submitted permit transfer forms for Dianne's signature. These forms could be signed if the Board approves the reclamation contracts for these operations:

Wilson-Silverbell - ACT/037/027  
Redd Block Four - ACT/037/046  
Deremo-Snyder - ACT/037/025  
LaSal-Snowball - ACT/037/026  
Hecla - ACT/037/043

If you have any questions, please let me know.

btb  
Attachments  
9075R-45

01/037/026  
RECEIVED  
JAN 17 1985

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
Board of Oil, Gas and Mining  
4241 State Office Building  
Salt Lake City, Utah 84114

DIVISION OF  
OIL, GAS & MINING

*Replaced  
1-22-97  
Original Retired  
2-14-97*

LaSal-Snowball

MINED LANDS RECLAMATION CONTRACT

THIS CONTRACT, made and entered into this 24<sup>th</sup> day of January, 1985, by and among Umetco Minerals Corporation (hereinafter "Umetco"), a corporation duly authorized and existing under and by virtue of the laws of the State of Delaware and duly qualified to do business in this State, Union Carbide Corporation (hereinafter "UCC"), a Corporation duly authorized and existing under and by virtue of the laws of New York, on behalf of its wholly-owned subsidiary Umetco, and the Board of Oil, Gas and Mining (hereinafter the "Board"), duly authorized and existing by virtue of the laws of the State of Utah.

W I T N E S S E T H:

WHEREAS, UCC has transferred certain assets to Umetco including ownership and possession of certain mining claims and/or leases located in San Juan County, State of Utah, known as the LaSal-Snowball Mine, as more particularly described in the Mining and Reclamation Plan, referenced below.

WHEREAS, UCC, on the 23rd of June, 1979, did duly file with the Division of Oil, Gas, and Mining, a "Notice of Intention to Commence Mining Operations" and a "Mining and Reclamation Plan" to secure authorization to engage in certain mining operations in the State of

Utah, under the terms and provisions of the Mined Land Reclamation Act, Section 40-8, UCA, 1953;

WHEREAS, UCC, on the 5th day of February, 1979, did duly execute with the Board a "Mined Lands Reclamation Contract", whereunder UCC, upon providing sufficient corporate guarantees in lieu of a bond, promised and agreed to reclaim certain affected mining lands in accordance with an approved mining and reclamation plan, the Mined Land Reclamation Act and all applicable rules and regulations;

WHEREAS, Umetco, on the 16<sup>th</sup> day of January, 1985, did duly file with the Division of Oil, Gas, and Mining an "Application for Permit Transfer" to permit Umetco to engage in mining operations at the La Sal-Snowball Mine in the State of Utah, under the terms and provisions of the Mined Land Reclamation Act, Section 40-8, UCA, 1953;

WHEREAS, Umetco is presently able and willing to reclaim the above referenced "affected mining lands" in accordance with the approved Mining and Reclamation Plan, as amended, the Mined Land Reclamation Act, and all applicable rules and regulations adopted in accordance therewith;

WHEREAS, the Board has duly considered the factual information and recommendations provided by the staff of the Division of Oil, Gas, and Mining as to the magnitude, type and cost of the approved reclamation activities designed for the affected mining lands;

WHEREAS, the Board is cognizant of the nature, extent, and duration of Umetco's operations and Umetco's financial status and

its capabilities of carrying out and performing the designed reclamation activities.

WHEREAS, UCC, on behalf of its wholly-owned subsidiary Umetco, wishes, by these presents, to furnish the required corporate guarantee in order that Umetco may continue operations at the Redd Block Four Mine;

NOW THEREFORE, for and in consideration of the foregoing and the covenants and agreements hereinafter set forth, the parties hereto agree as follows:

1. Umetco shall reclaim the affected mining lands in accordance with the approved Mining and Reclamation Plan, as amended, the Mined Land Reclamation Act, and all applicable rules and regulations adopted in accordance therewith;

2. Subject to the provisions of paragraph 6, below, Union Carbide guarantees to the Board that during the term of this Contract in the event that Umetco fails to reclaim the affected mining lands, UCC, upon notice from the Board, shall arrange for performance of such activities.

3. The current cost estimate for reclamation is \$186,835.00. This sum shall be subject to annual adjustments to reflect changes in reclamation costs, or estimates of such costs, due to changes in reclamation requirements, economic conditions (e.g., inflation), or phased completion of reclamation by Umetco which result in a reduction of total reclamation costs.

4. The Board and Umetco agree that within ten (10) days following the execution of this Agreement and then annually thereafter on or about April 1st, throughout the term of this Agreement, Umetco shall supply to the Division of Oil, Gas and Mining a copy of the most recent United States Securities and Exchange Commission Form 10-K Statement filed by UCC;

5. This Contract supersedes all prior Mined Land Reclamation Contracts, including but not limited to the Mined Land Reclamation Contract, dated February 5, 1979, by and between UCC and the Board.

6. This Contract shall remain in effect so long as Umetco remains a wholly-owned subsidiary of Union Carbide. If the corporate relationship is altered in any way, this Agreement shall be terminated and Umetco, within 90 days of that alteration, shall submit an alternative surety agreement acceptable to the Board or Umetco shall commence reclamation of and reclaim the affected land.

7. Should the Board at any time determine that UCC's corporate guarantee is no longer an acceptable method of insuring Umetco's reclamation obligations, the Board reserves the right, subject to ninety (90) day prior written notice being given to Umetco, to rescind this Contract in its entirety. Within that ninety (90) day period, Umetco shall submit an alternative surety agreement acceptable to the Board or Umetco shall commence reclamation of and reclaim the affected land.

8. This Contract shall not become effective until executed by authorized representatives of all parties.

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be executed by their duly authorized representatives as of the date first above written.

UMETCO MINERALS CORPORATION

ATTEST

*[Signature]*  
Secretary

By:

*[Signature]*  
VICE PRESIDENT AND GENERAL <sup>OLD</sup>  
MANAGER, URANIUM, COAL, GAS AND OIL

UNION CARBIDE CORPORATION

ATTEST

*[Signature]*  
Asst Secretary

By:

*[Signature]*  
EXECUTIVE VICE PRESIDENT <sup>OLD</sup>

BOARD OF OIL, GAS, AND MINING

By:

*[Signature]*  
Title: Chairman

Form MR-10  
(September 1984)

RECEIVED  
JAN 17 1985

DIVISION OF  
OIL, GAS & MINING

State of Utah  
Department of Natural Resources  
Division of Oil, Gas and Mining  
4241 State Office Building  
Salt Lake City, Utah 84114  
(801) 533-5771

APPLICATION FOR PERMIT TRANSFER  
For the La Sal-Snowball Mine

1. (a) Name, telephone number and mailing address of applicant:

Umetco Minerals Corporation, 203-794-2000,  
Old Ridgebury Road, Danbury, CT 06817

(b) Location of mining operation (county): San Juan

(c) Permit number to be transferred: ACT/037/026

(d) The total number of acres in the permit area and an estimate of the total number of acres affected by the operation through date of transfer:

TOTAL PERMIT ACRES	DATE ISSUED	ESTIMATE OF AFFECTED ACRES
<u>Original Permit</u>		
<u>13</u>	<u>6-23-77</u>	<u>13</u>
<u>Approved Amendments</u>		
<u>4</u>	<u>12-12-78</u>	<u>4</u>
<u>39</u>	<u>12-15-83</u>	<u>34</u>
<u>Total Acres</u>		
<u>56</u>		<u>51</u>

Attach a legal description of above acreages as Appendix "C" and original USGS Quad Map(s) with permit and amendment areas clearly shown and identified.

2. (a) Name, telephone number and mailing address of Transferee:

Umetco Minerals Corporation, 203-794-2000  
Old Ridgebury Road, Danbury, CT 06817

(b) If Transferee is a partnership, association or corporation, the names and addresses of all owners, partners, managers and executives directly responsible for operations in this State:

2.(b) (continued)

Name:	F. V. McMillen	Address:	Umetco Minerals Corporation Old Ridgebury Rd., Danbury, CT 06817
Title:	President	Phone No.:	203-794-2000
Name:	W. G. Alesio	Address:	Umetco Minerals Corporation Old Ridgebury Rd., Danbury, CT 06817
Title:	Vice President & General Manager Uranium, Coal, Gas and Oil	Phone No.:	203-794-2000
Name:	E. W. Shortridge	Address:	Umetco Minerals Corporation Old Ridgebury Rd., Danbury, CT 06817
Title:	Operations Manager - Uranium	Phone No.:	203-794-2000
Name:		Address:	
Title:		Phone No.:	

3. Name, telephone number and address of the authorized representatives of the Transferee to whom any notices under the provisions of the Utah Mined Land Reclamation Act, adopted thereunder may be sent:

Niels B. Haubold, 303-245-3700, Umetco Minerals Corporation,  
P. O. Box 1029, Grand Junction, CO 81502

4. Reclamation surety information:

Amount:	\$186,835.00
Form:	Mined Lands Reclamation Contract
Company	N/A
Date Issued:	Upon approval of Board of Oil, Gas and Mining
Renewable Date:	N/A
Etc.:	

5. The provisions of the transferred permit are severable, and if any provision of the permit, or the application of any provision of the permit, to any circumstance, is held invalid, the application of such provision to other circumstances, and the remainder of the permit, shall not be affected thereby.

SWORN STATEMENT OF TRANSFEROR

State of ~~Utah~~ Connecticut )  
County of Fairfield ) ss.

I J. H. FIELD being duly sworn on my oath  
Name (typed or printed)

that I am the Transferor (Executive Vice-President if the Transferor is a corporation) for the foregoing mining permit transfer; that I have read the said application and fully know the contents thereof; that all statements contained in the permit transfer application are true and correct to my best knowledge and belief; by execution of this statement I certify that Transferor is in full compliance with the Utah Mined Land Reclamation Act, the Rules and Regulations promulgated thereunder, and the terms and conditions of Mining Permit No. ACT 10371026. Approval of this transfer by the Division of Oil, Gas and Mining does not constitute a conclusion that the Transferor is in full compliance.

Dated this 16th day of JANUARY, 1985.

NAME:

TITLE:

EXECUTIVE VICE PRESIDENT

The foregoing instrument was acknowledged before me by:

J. H. Field, this 16th day of January, 1985. Witness my hand and official seal.

Barbara T. Sanford  
(Notary Public or other authorized officer)

My Commission Expires:

March 31, 1986

FINAL SWORN STATEMENT OF TRANSFEREE

State of ~~Utah~~ Connecticut )  
County of Fairfield ) ss.

I W.O. Alesio being duly sworn on my oath  
Name (typed or printed)

that I am the Transferee (~~Executive~~ Vice-President if the Transferee is a corporation) for the foregoing mining permit transfer; that I have read the said application and fully know the contents thereof; that all statements contained in the permit transfer application are true and correct to my best knowledge and belief; by execution of this statement I certify that Transferee has the right and power by legal estate owned to mine from the land for which this permit transfer is desired; that Transferee has not forfeited, or is not involved in forfeiture proceedings for, a bond posted for reclamation purposes; and by completion and submission of this application, hereby give consent to allow the Director, the Administrator and/or authorized representatives, at reasonable times and upon presentation of appropriate credentials, to enter upon and have access to any and all lands covered by this permit and amendments thereto and to inspect and copy any records or documents, obtain or monitor any samples or sampling, for any activities associated with the operation and permit.

Dated this 14<sup>th</sup> day of JANUARY, 1985.

NAME: W.O. Alesio  
TITLE: Vice President & General Manager  
URANIUM, COAL, GAS & OIL C.D.

The foregoing instrument was acknowledged before me by:  
W.O. Alesio, this 14<sup>th</sup> day of  
JANUARY, 1985. Witness my hand and official seal.

Diane E. Buckland  
(Notary Public or other authorized officer)

My Commission Expires: DIANE E. BUCKLAND  
NOTARY PUBLIC  
MY COMMISSION EXPIRES MARCH 31, 1986


THE STATE OF UTAH )  
 ) ss.  
DIVISION OF OIL, GAS AND MINING )

This is to certify that I have examined the foregoing application and do hereby grant the same subject to the following limitations and conditions.

1. This permit transfer grants only the right to affect the lands described in Appendix "C" of the permit.
2. The Transferee has acquired a good and sufficient reclamation bond fully executed and signed. The bond shall be effective on the date of transfer.
3. The Transferee, or such other person as required by UCA 1953, Title 40-8, has acquired a license to mine for lands described in Appendix "C" of the permit.

COMMENTS:

APPROVED:

  
Director  
Division of Oil, Gas and Mining

Effective Date:

Permit No.:

January 25, 1985  
ACT/037/026

Appendix "C"

Permit No. ACT/037/026

Legal Description for La Sal-Snowball

T28S-R24E S.L.M.

Section 36 (all)

Section 35 (all)

Section 34; SE-1/4 NE-1/4, SE-1/4, SE-1/4 SW-1/4

T28S-R25E S.L.M.

Section 31; SW-1/4 NW-1/4, SW-1/4

T29S-R25E S.L.M.

Section 6; W-1/2 NW-1/4

T29S-R24E S.L.M.

Section 1; E-1/2 NE-1/4, W-1/2, W-1/2 SE-1/4

Section 2; N-1/2

Section 3; NE-1/4